Government of Saskatchewan

Annual Report 1999-2000

Saskatchewan Justice

Farm Land Security Board

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Letter of Transmittal

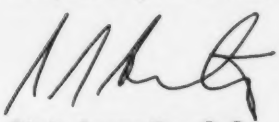
October 13, 2000

Her Honour the Honourable Dr. Lynda M. Haverstock
Lieutenant Governor of Saskatchewan

May It Please Your Honour:

I have the honour to submit to your Honour the Annual Report of the Farm Land Security Board for the year ending March 31, 2000.

Respectfully submitted,



Chris Axworthy, Q.C.
Minister of Justice and
Attorney General

Letter of Transmittal

October 13, 2000

Chris Axworthy, Q.C.
Minister of Justice and Attorney General
Province of Saskatchewan

Dear Sir:

I have the honour to submit for your consideration the Annual Report of the Farm Land Security Board for the year ending March 31, 2000.

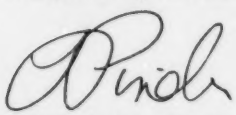
The Saskatchewan Farm Security Act establishes the Farm Land Security Board and provides it with a mandate in the areas of farm foreclosure, home quarter protection and farm ownership. The Act continues to play a critical role in the affairs of rural Saskatchewan.

As anticipated in last year's report, the number of Notices of Intent to Foreclose served upon farmers increased in the 1999-2000 fiscal year. Poor net farm incomes in particular regions over the last few years are materializing into mortgage servicing difficulties.

Activity in the Home Quarter Protection area decreased as the result of the creation of broader class exemptions by the Board and reduced farm lending involving Home Quarters.

Farm Ownership work was again a large part of the Board's activity. The Board is encouraged by the increasing interest of non-resident farmers who are recognizing opportunity in relocating to Saskatchewan.

Respectfully submitted,



Leslie Belloc-Pinder
Chair

Program Rationale, Governing Legislation and Organizational Structure

Mission Statement

It is the mission of the Farm Land Security Board to effectively deliver Saskatchewan Justice Farm Security Programs in a manner responsive to the needs of the broad rural community. These programs have been instituted to support family farms during periods of financial difficulty and stabilize the economic and social environment in rural Saskatchewan.

Governing Legislation

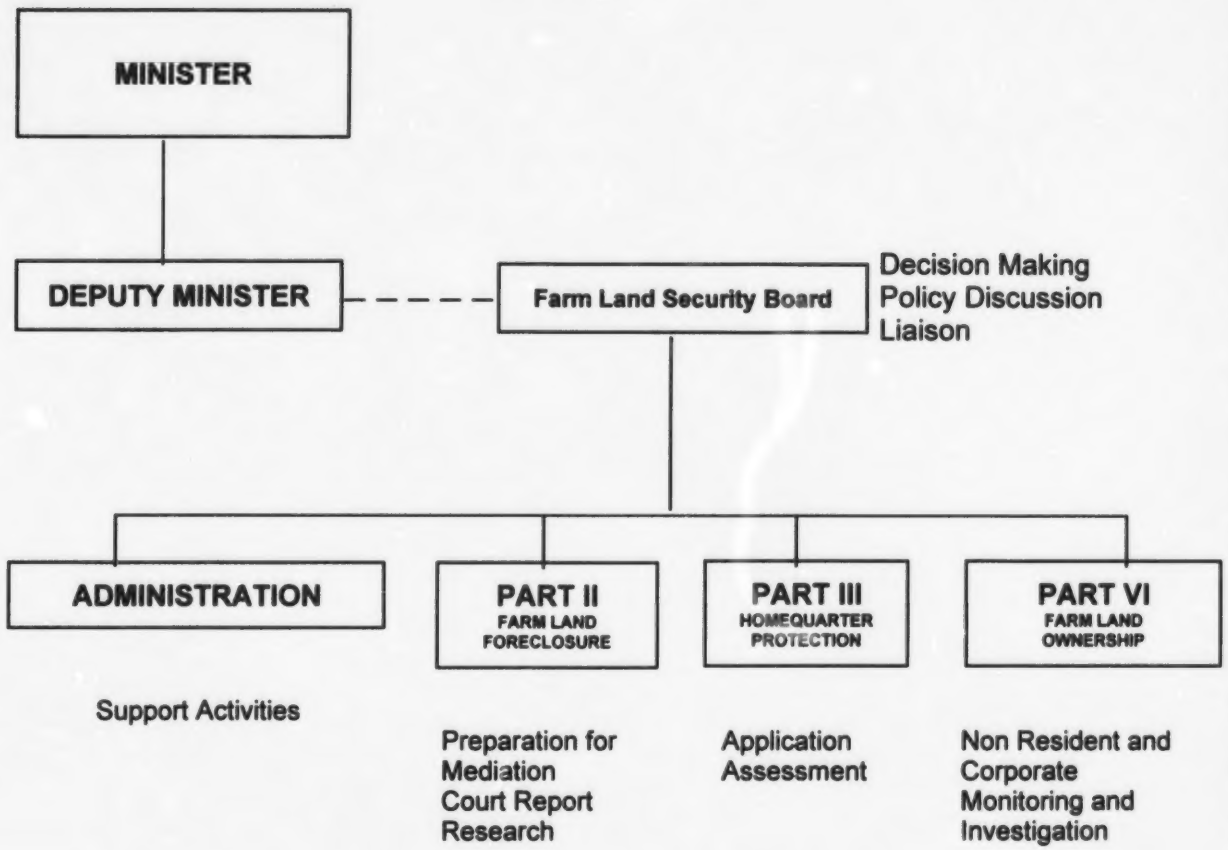
Saskatchewan Justice Farm Security Programs are governed by *The Saskatchewan Farm Security Act* and its regulations. The Farm Land Security Board is established by the Act.

The Farm Land Security Board is mandated under Part II of the Act to oversee the process which occurs prior to a foreclosure action proceeding on farm land. The process is supportive. The farm family in financial difficulty has the benefits of independent financial analysis and mediation.

Part III of the Act, Home Quarter Protection, allows the Board to waive Home Quarter Protection when it is "in the best interests" of the farmer. The Board, in doing so, does not take a narrow view of these interests.

Part VI objectives are to preserve Saskatchewan farm land for ownership and operation by Saskatchewan residents while remaining open and sensitive to the broader needs and opportunities of our province. This is accomplished by its daily contact with Saskatchewan agricultural producers, agricultural and non-agricultural corporations and non-residents.

Organizational Overview of Farm Security Programs



Members of the Farm Land Security Board in the 1999/2000 fiscal year were:

- George Lee, Chair (until December 31,1999);
- Leslie Belloc-Pinder, Vice Chair (acting Chair from January 1, 2000);
- Ferne Nielsen; and
- Vic Bruce.

The Board employs managerial and support staff in Regina as well as contractual Field Consultants located around the province.

- Dan Patterson - General Manager;
- Dick Wellman - Manager Home Quarter Protection and Farm Foreclosure; and
- Jim Chernick - Manager, Farm Ownership.

Program Objectives, Activities And Impacts

Part II Farm Foreclosures

Mandate:

Part II of *The Saskatchewan Farm Security Act* has the stated purpose "to afford protection to farmers against loss of their farm land." Before proceeding to court the Act requires all lenders or writ holders to first provide notice to the farmer and to the Farm Land Security Board respecting their intention to foreclose. The Act provides a review and mediation mechanism to assist the parties' efforts to find a settlement. If mediation is not successful, the Act requires the Board to prepare a report for the court which provides an opinion on questions stated in the Act, and any other matter the Board feels is relevant. The statutory period allowed for the above is 150 days.

The program helps farmers facing foreclosure by clarifying their financial situation and assisting them in understanding their legal rights and obligations. These activities help establish achievable expectations and objectives for farmers as they enter the mediation process.

The program was also designed to help the court determine of whether allowing foreclosure to proceed would be "just and equitable." The Board's report to the court provides insight into the personal circumstances of the farm family. As well, because some aspects of Home Quarter Protection legislation are linked to the Board's opinion in the report, important legal support for farm families hinges on the report's conclusions. The Act directs the court to give the report primary consideration.

Resources:

$403,000 is attached to the delivery of Parts II and III under the Act, exclusive of general administration overhead and Board meetings. Two (2.0) full-time equivalent employees and 31 contract field consultants work in these programs. In June 1998, the Farm Land Security Board and the Federal Farm Debt Mediation and Consultation Services arranged to cross-contract its field consultants. This reduced program duplication and improved continuity of service for farmers involved in both programs.

Objectives:

The primary objective of the program is to assist farmers facing foreclosure to understand and resolve their financial problems thereby keeping farmers on the land and in rural communities.

Activities:

Field Analysis and Mediation Preparation

Following receipt of a Notice of Intention to Foreclose, the Board assigns the matter to a field consultant. It is the field consultant's responsibility to meet with the farm family to adequately prepare them for the mediation opportunity. This preparation includes a review and analysis of the farm family's financial situation. Discussions about their personal and financial situation and their legal rights and obligations occur. Through these discussions the field consultant helps the family establish goals for the mediation process and beyond. A financial report is produced and provided to the farmer, the mediator and the creditor. The consultant will accompany the farmer to the mediation meeting acting as a resource and a support for the family.

Program Objectives, Activities And Impacts

When the review and mediation activities do not find a suitable solution, the creditor may ask for the Board's report to the court. Upon receiving such a request the Board prepares a report in accordance with the Act. It may meet with the parties involved.

Impacts:

Since the program inception in 1985, the Board has dealt with 9,251 farms threatened by intended foreclosure. Intervention by the Board has avoided the court process in approximately 75% of these situations. Although repayment arrangements are not always achievable, leaseback and exit arrangements benefit some farm families. As well, families have benefited from a supportive process. Further detail on the success of mediation can be obtained from the Mediation Services Annual Report.

PART II - NOTICES	
Fiscal Year	**Notices***
1984-1985	152
1985-1986	565
1986-1987	537
1987-1988	1,555
1988-1989	1,388
1989-1990	1,532
1990-1991	1,745
1991-1992	1,164
1992-1993	1,465
1993-1994	685
1994-1995	598
1995-1996	481
1996-1997	386
1997-1998	342
1998-1999	313
1999-2000	403
TOTAL	**13,311**

* Notices of Intent to Foreclose are submitted on a mortgage basis. Since program inception, approximately 9,251 farms have received at least one foreclosure notice.

PART II - NOTICES ISSUED BY LENDERS						
Fiscal Year	FCC	ACS	Credit Union	Other	Chartered Banks	TOTAL
1984-1985	0	8	67	22	55	152
1985-1986	64	10	171	66	254	565
1986-1987	14	47	157	41	278	537
1987-1988	793	49	196	37	480	1,555
1988-1989	808	66	157	41	316	1,388
1989-1990	861	70	201	46	354	1,532
1990-1991	689	74	361	74	547	1,745
1991-1992	290	77	401	37	359	1,164
1992-1993	639	40	389	51	346	1,465
1993-1994	221	103	198	36	127	685
1994-1995	196	154	139	27	82	598
1995-1996	112	196	89	34	50	481
1996-1997	91	155	75	32	33	386
1997-1998	107	83	78	24	50	342
1998-1999	108	43	91	27	44	313
1999-2000	174	27	103	41	58	403
TOTAL	**5,167**	**1,202**	**2,873**	**636**	**3,433**	**13,311**

Observations:

Notices of Intent to Foreclose substantially increased in 1999-2000. On a lender basis, ACS activity continued to decline and FCC showed the largest increase.

Program Objectives, Activities And Impacts

Court Reporting

The Board's report to the court provides comprehensive information to the court, the farmer and the lender when the lender decides to proceed with a court application to foreclose. Although the Board cannot always support a farmer's possibility of meeting his payments, it is usually evident that sincere and reasonable efforts have been made with the resources available.

PART II - COURT REPORTS REQUESTED				
FISCAL YEAR	PROVIDING OPINION	PROVIDING NO OPINION[a]	UNCONTESTED FORECLOSURE[b]	TOTAL
1989-1990	230	83	48	361
1990-1991	229	51	117	397
1991-1992	253	39	60	352
1992-1993	258	54	47	359
1993-1994	166	36	34	236
1994-1995	69	34	9	112
1995-1996	75	20	4	99
1996-1997	55	40	9	104
1997-1998	62	32	8	102
1998-1999	66	57	1	124
1999-2000	58	29	5	92
TOTAL	1,521	475	342	2,338

a Court Report issued when Board's assistance declined.

b Reflect mediated arrangements and are required for legal purposes.

Observations:

The decline in Court Reports issued in this fiscal year does not necessarily reflect a commensurate increase in settlements at mediation. Court Reports can be written over extended periods of time after the issuance of notice. Several 1999-2000 Notices will not yet have mediation completed.

Program Objectives, Activities And Impacts

Statistical Profile:

Since program inception the Farm Land Security Board has kept a statistical profile of the farmers receiving Notices of Intent to Foreclose. During the 1999/2000 fiscal year the following profiles were recorded. 1998/1999 profiles are in brackets.

Foreclosure Debt

Amount	% of Notices	
< $ 20,000	11%	(12%)
$ 20,000 - $ 50,000	27%	(22%)
$ 50,000 - $100,000	30%	(29%)
$100,000 - $200,000	22%	(27%)
> $200,000	10%	(10%)

Operator Age Range

Age	% of Notices	
20 - 30	2%	(2%)
30 - 40	16%	(18%)
40 - 50	35%	(46%)
50 - 60	27%	(23%)
60 +	20%	(11%)

Enterprise Type

Mixed	35%	(50%)
Grain	52%	(37%)
Beef	4%	(3%)
Other	9%	(10%)

Farm Organization

Sole Proprietorship	89%	(85%)
Partnership	6%	(7%)
Corporation	5%	(8%)

Farm Dependents	3.0	(3.2)
Home Quarter Involvement in Foreclosure Notices	41%	(45%)

Average Asset Level	$504,000	($487,000)
Average Debt Level	$282,000	($277,000)
Average Net Worth	$222,000	($210,000)

Observations:

As an indication of the amount of financial difficulty present in the farm economy, Notices of Intent to Foreclose do not present the entire picture. Other debt resolution is also undertaken by the federal Farm Debt Mediation Board, Bankruptcy Trustees and by lenders directly with their clients. Federal Farm Debt Mediation legislation has replaced the Farm Debt Review Board and provided a companion program called the Farm Consultation Service to assist farmers meeting financial challenges. A cooperative initiative was completed to amalgamate the federal and provincial field consultant groups to improve continuity between programs. In the 1999/2000 fiscal year federal activity in the new programs was high (164 applications for mediation and 460 applications for consultation).

Part III - Home Quarter Protection

Mandate:

Home Quarter Protection has been a cornerstone of Saskatchewan farm protection legislation since the early 1940s. The protection stays the registration of a Final Order for Foreclosure as long as the farmer continues to live on the homestead. A farmer and a lender may co-apply to the Farm Land Security Board to have a mortgage excluded from this protection. The Board is empowered to waive the protection, when in the opinion of the Board, it would benefit the farmer. The program helps prevent farmers from unnecessarily attaching debt to their home quarter.

Resources:

Part II and III office and human resources are shared. (See Part II for more detail.)

Objectives:

The mandate of this Part is achieved by clarifying with farmers their security options and examining their ability to service the mortgage obligations. Before the Board will order a mortgage excluded from the protection, it must be convinced the farmer can repay the loan, and that other suitable security is not available. Additionally, it must be convinced that any aspect of a loan which appears uncharacteristic of typical lending practices has been fully discussed with the parties.

Activities:

Co-applications are reviewed by Board staff. Staff typically contact the farmer and the creditor as part of their review and may request additional information concerning the farm financial situation. Staff will analyse the farm budget and security options to establish that the loan is affordable and that more suitable security arrangements are not possible. In the most difficult situations the co-application is assigned to a field consultant. The consultant will meet with the farmer and the creditor to prepare a report for the Board.

Program Objectives, Activities And Impacts

PART III - APPLICATIONS RECEIVED	
Fiscal Year	**Applications**
1988-1989	794
1989-1990	1,328
1990-1991	1,479
1991-1992	1,415
1992-1993	1,174*
1993-1994	810
1994-1995	896
1995-1996	833
1996-1997	1,038
1997-1998	918
1998-1999	774**
1999-2000	562***
TOTAL	**12,021**

* Activity in the Home Quarter Protection area was affected by the legislative amendments respecting mortgages made solely for the purpose of home quarter purchase or improvement. An automatic exemption from the protection for such mortgages was enacted in September 1992. This is reflected in the reduced number of applications received that fiscal year and in following years.

** A class exemption involving non-farm rural residences was issued in December of 1998. This is reflected in the reduced number of applications received that fiscal year and in following years.

*** A class exemption involving sole farmland purchases was issued in October of 1999. This is reflected in the reduced number of applications received that fiscal year.

Program Objectives, Activities And Impacts

PART III DISPOSITION OF APPLICATIONS TO WAIVE HOME QUARTER PROTECTION					
Fiscal Year	Order Issued	Special Order Issued	Order Denied	Return/ Withdraw	Total
1992-1993	1,012	81	16	83	1,192
1993-1994	642	72	11	74	799
1994-1995	723	93	9	85	910
1995-1996	625	109	7	82	823
1996-1997	776	157	8	82	1,023
1997-1998	677	158	8	70	913
1998-1999	550	153	10	75	788
1999-2000	216	287	2	69	574

Impacts:

In about 43% of the applications the Board will agree to waive the protection without attaching any conditions. Of the remaining applications, some are withdrawn following discussions with the Board's staff.

About 57% of the applications are issued special orders wherein the Board has amended its exclusion order to identify and attach conditions. The condition may be for the creditor to release a home site from the mortgage if the loan fails, or to release the home quarter once the principal is reduced to a specified amount. Special orders also allow the Board to deal with mortgages which are not sum certain or loan specific. The special order avoids replacing or amending the mortgage. These kinds of orders occurred in the last fiscal year.

A decision to refuse to exclude a mortgage from the protection only occurs after clear evidence that either the loan is not affordable or that other security options are available. Rather than deny an application, the Board will work with the parties to find acceptable alternatives. The number of special orders issued is evidence of the success of these efforts. Only 1% of applications are denied.

In today's environment of high farm debt and low operating margins, the Board's activities have helped ensure that the debt obligations are serviceable when the homestead is involved. Its activities have also ensured that more farmer-friendly options for securing the debt have been implemented where possible. These activities have increased farmer knowledge of risk management and have convinced creditors that home quarter security should be a last resort. This will contribute to the stability of rural communities in the future.

Program Objectives, Activities And Impacts

Observations:

The number of co-applications to waive Home Quarter Protection in the 1999/2000 fiscal year continued to decline. This is reflective of a less active lending environment. Home quarters were used less often to secure loans for new purchases of land or equipment.

As well, the Board's issuance of a Class Exemption Order which affects non-agricultural loans would have been responsible for some of the reductions in applications. The Class Exemption makes applications unnecessary for loans involving rural residences where there is farming or land lease income of less than $5,000.

Program Objectives, Activities And Impacts

Part VI - Farm Ownership

Mandate:

This legislation is designed to ensure that non-resident or corporate control of Saskatchewan farm land does not negatively affect the interests of resident producers or the economic and social development of the province.

Resources:

$188,800 was expended on the delivery of Part VI activities under the Act, exclusive of general administrative overhead and Board meetings. A total of 4.5 full-time equivalent employees and two contract field consultants work in this program.

Objectives:

The Board seeks to preserve ownership and operation of Saskatchewan farm land by residents through ensuring compliance with farm ownership legislation. The Board also maintains an internal objective to remain current in the area of agriculture and land related issues. This contributes positively to its decisions regarding land ownership.

Activities:

Responsibilities of the Board include the granting or denial of applications for exemption or extension, issuing Orders for Divestment, recommending Court action for violation of the Act's provisions, and generally advising the government on farm ownership issues. Where individuals or corporations acquire or plan to acquire holdings which exceed that allowed by statute, the Board considers the interests of all affected parties in making its determinations. Staff assigned to this aspect of the program monitors all changes of title respecting agricultural land in the province. As well, corporate documents of land holding companies are reviewed to assess any changes in share structure that would result in non-resident individuals or non-agricultural corporations having an interest in farm land.

A. Activity Summary:

In the 1999/2000 fiscal year, staff and consultants were required to review and document 1,592 transfers of land to non-resident individuals, 3,550 transfers to corporate interests and 576 to Crown Agencies. Staff also investigated and processed 224 applications for exemption and 50 applications for extension in order to achieve compliance with the legislation. An application may result in the granting of more than one exemption. In addition, staff responded to personal or written inquiries.

B. Activity Detail:

The Board monitored all changes of interest in rural land processed through eight Land Titles Offices in the province. A total of 25,002 transfers totalling 4,084,035 acres were monitored. The total number of transfers in the previous year was 26,034. Total acreage involved was 4,289,378 acres.

1,592 land transfers to non-resident individuals resulted in 718 reviews of non-resident individuals who had not previously held an interest in land in Saskatchewan. 3,550 transfers to corporate /lending/other interests resulted in 445 reviews of new corporate land holders.

The following table illustrates the number of transfers to various categories of individuals and corporate entities. As illustrated, the majority of transfers invoiving Saskatchewan farm land are to residents of the province.

1999/2000 TRANSFER STATISTICS
(1998/1999 in Brackets)

Category	Number of Transfers	Acreage	Percentage of Transfers
Saskatchewan residents	19,284 (19,490)	3,188,769 (3,188,369)	76.4% (74.3%)
Non-resident (Canadian)	1,436 (1,296)	244,161 (222,050)	6.0% (5.1%)
Non-resident (Non Canadian)	156 (117)	35,212 (25,869)	0.9% (0.6%)
Saskatchewan Executors of Estates	9 (9)	1275 (654)	0.0% (0.0%)
Lending Institutions including Crown Lenders	110 (123)	17,843 (18,732)	0.4% (0.4%)
Government (including non-lending Crown Corporations)	576 (664)	81,573 (108,263)	2.0% (2.5%)
Corporations	3,082 (3,841)	505,509 (624,910)	12.3% (14.6%)
Other	349 (494)	79,533 (100,532)	1.9% (2.3%)
TOTAL	**25,002 (26,034)**	**4,083,875 (4,289,378)**	**100% (100%)**

C. Non-Resident and Corporate Acquisitions

In this fiscal year, non-Saskatchewan residents acquired title to 279,373 acres. The interests were acquired primarily through a special exemption provision afforded non-resident relatives of present or past residents of Saskatchewan. Additionally, individuals resident in Canada may have or acquire an aggregate land holding not exceeding 320 acres. Individuals resident outside Canada may have or acquire an aggregate land holding not exceeding ten acres.

In this fiscal year, corporations acquired an interest in 602,885 acres. The majority of the land was acquired by Saskatchewan corporations engaged in the business of farming.

Program Objectives, Activities And Impacts

ACQUISITION STATISTICS				
	NON - RESIDENT		CORPORATE	
Year	Transfers	Acres	Transfers	Acres
1997 - 1998	1,404	247,761	4,488	768,360
1998 - 1999	1,413	247,919	4,458	744,174
1999 - 2000	1,592	279,373	3,550	604,160

Includes land transferred to financial institutions and land acquired through the Treaty Land Entitlement process.

The Board has the authority to consider applications for exemption which, if approved, allow non-eligible individuals or non-agricultural corporations to have or acquire a land holding in excess of that allowed under the farm ownership provisions of *The Saskatchewan Farm Security Act*. Denials were primarily based on the Board's conclusion that the intended acquisition would be contrary to the interests of Saskatchewan people. The following table summarizes the Board's activity in applications for exemption.

Program Objectives, Activities And Impacts

EXEMPTION STATISTICS 1999-2000 (1998-1999 In Brackets)				
Exemption Catogory	**Granted**	**Acres**	**Denied**	**Acres**
Purchaser Intending to Reside	38 (44)	44,781 (59,801)	0 (1)	0 (320)
Border Farm	14 (28)	4,224 (11,716)	1 (1)	0 (385)
Intensive Livestock				
Hogs	22 (9)	4,568 (3,783)	1 (0)	3000 (0)
Dairy	0 (0)	0 (0)	0 (0)	0 (0)
Poultry	2 (0)	20 (0)	0 (0)	0 (0)
Beef	0 (0)	0 (0)	0 (0)	0 (0)
Other	0 (0)	0 (0)	0 (0)	0 (0)
Grain	0 (0)	0 (0)	0 (0)	0 (0)
Livestock (Extensive)	0 (0)	0 (0)	0 (0)	0 (0)
Commercial Development				
Mining/Forestry/Petroleum	7 (4)	1,450 (9,547)	0 (1)	0 (310)
Grain Handling	4 (10)	578 (1,176)	0 (0)	0 (0)
Transportation	0 (1)	0 (1,395)	0 (0)	0 (0)
Property Development	0 (1)	0 (150)	0 (0)	0 (0)
Other/Charities/Research	7 (7)	5,018 (4,489)	0 (0)	0 (0)
Investment				
Family Support	9 (9)	2,474 (9,244)	1 (0)	640 (0)
Non-Family Support	4 (2)	3,660 (780)	0 (1)	0 (960)
Real Estate	0 (0)	0 (0)	2 (2)	126 (2,070)
Farming	12 (9)	3,114 (3,601)	1 (0)	320 (0)
Inheritance/ Estate Planning	22 (34)	11,216 (9,365)	0 (5)	0 (270)
Wildlife Conservation				
Wildlife	33 (57)	6,437 (12,231)	0 (1)	0 (160)
Conservation	1 (1)	522 (208)	0 (0)	0 (0)
Interpretation by Policy				
Layered Ag Corp	2 (2)	4,480 (3,602)	0 (0)	0 (0)
Spousal Acquisition	0 (0)	0 (0)	0 (0)	0 (0)
Qualify as Individual	16 (6)	6,069 (6,446)	0 (0)	0 (0)
Lender Extension	6 (50)	21,745 (25,619)	0 (0)	0 (0)
Termination	0 (0)	0 (0)	0 (0)	0 (0)
Total	199 (274)	120,733 (162,776)	6 (12)	4,086 (4,475)

Program Objectives, Activities And Impacts

The Board receives requests for exemption in several general categories.

Purchaser Intending to Reside The Board regularly considers exemption requests by non-residents who plan to move to Saskatchewan and are acquiring land in advance of their residency.

Border Farm In many cases a farm operation straddles the Saskatchewan border and the farmer resides within a reasonable distance of the border to be considered part of a Saskatchewan community. Exemptions facilitate this reality of land holding patterns in border areas which the Act otherwise would restrict.

Intensive Livestock Many intensive livestock enterprises are organized as limited partnerships or corporations that for the purposes of the Act require an exemption to hold more than 10 acres. The denial of an exemption request involved an Alberta-owned corporation attempting to acquire up to 3000 acres on which to locate an integrated hog enterprise with extensive land holdings for irrigated feed production and area to dispose of manure.

Commercial Development Many commercial undertakings require farm land to develop industrial plants, grain terminals and mining operations.

Investment - family and non-family support In some cases residents have obtained assistance from non-residents to re-acquire their farms from financial institutions or have accessed capital to start a new farm venture. The denial in this category involved the intended acquisition of farm land not previously owned by a resident nephew and was to be leased to the nephew.

Investment - farming In these cases non-resident people actively farming their own land reside in communities outside of Saskatchewan. Several exemptions involve residents of Medicine Hat, Alberta who farm in western Saskatchewan. The denial in this category involved a resident of Montana intending to acquire additional Saskatchewan farm land adjacent to land owned and farmed by the family since prior to the coming into force of the Act.

Inheritance/Estate Planning To facilitate estate planning involving transfers of farm land to non-resident beneficiaries exemption requests are considered. Exemptions granted for this purpose generally corresponded with the five year period allowed for divestment in the Act. Two denials under this category involved non-resident beneficiaries wishing to retain inherited lands beyond the statutory period of five years applicable when lands are not acquired from a resident relative.

Wildlife / Conservation Most organizations acquiring land for wildlife and conservation purposes must apply for exemption. The denial of an exemption under this category involved a wildlife organization attempting to acquire an interest in land in one quarter to be purchased from a chartered bank. Issues involving the acquisition of farm land to be idled by conservation organizations, most notably Ducks Unlimited Canada, continued to challenge the Board in balancing agricultural and wildlife interests.

Interpretation by Policy Several common situations encountered by the Board would not require exemptions except for their legal structure. These include corporations that would otherwise qualify as Agricultural Corporations but for the insertion of a holding company. Another category is small corporations owned by Canadian residents that require an exemption, these corporations are limited to a land holding of ten acres. Had the acquisition been completed as an individual 320 acres could be acquired without an exemption. Finally, spousal acquisitions are provided exemptions to allow each spouse to acquire 320 acres in order to comply with *The Saskatchewan Human Rights Code*.

E. Applications for Extension

Financial institutions acquired a total of 9,468 acres through debt resolution during this fiscal year. In this year lenders divested about 229,912 acres and held about 469,548 acres at year end. A creditor acquiring agricultural land through the realization, quit claim, settlement or other disposition of its security, is permitted to retain that land holding for a period of two years. Where that land is being leased back to the previous owner under the Provincial Leaseback Program, the two-year period does not commence until the termination or expiration of the leaseback period. The Board has the authority to extend the two year period allowed creditors.

The general preference of financial institutions is to divest of farm land they have recovered. They are generally willing to cooperate with the Board in providing leasing arrangements, if necessary, for the farmers who gave up ownership of the land when land cannot be sold.

In the 1999/2000 fiscal year, the Board considered 50 requests for extension received from financial institutions. A total of 25,619 acres were involved.

F. Accomplishments

The Board continues with a project to store its files on a computer data base. In this process the Board has developed a listing of land sales data that has proven to be popular with various businesses and individuals. The Board generated $34,670 in revenue from the sale of this data in this fiscal year.

G. Enforcement Summary

In November 1999, the Board obtained a court order that a parcel of land held illegally by American residents be sold. One other court action remained outstanding.

H. Observations

The Board notes the continuing significant reduction in the number of acres acquired by credit institutions this year. During this year credit institutions divested about 229,912 acres while acquiring 9,468 acres. In the immediately preceding year credit institutions divested about 219,048 acres while acquiring 15,915 acres.

The Board continues to be involved in providing exemptions with respect to acquisitions by value-added or industrial concerns such as large hog barns or grain terminals. These acquisitions reflect the changing nature of the rural landscape and also generally require small parcels of land. A slight reduction in exemption applications is evident in almost all categories in this fiscal year. This likely attributable to the downturn in the farm economy. The majority of applicants are Alberta residents or corporations.

Revenue

During 1999/2000 a Notice Application Fee, Land Sales Data Fee and Farm Ownership Fee generated $138,500 in revenue.

Revenues	1997/1998 (000s)	1998/1999 (000s)	1999/2000 (000s)
Notice Application Fee	80	75.3	97
Land Sales Data Fee	32.5	31.8	34.7
Farm Ownership Application Fee	10.2	11.9	6.8
Total	122.7	119	138.5

Program Objectives, Activities And Impacts

Expenditures

A budget of $899,000 was provided to the Farm Land Security Board in the 1999/2000 fiscal year. Expenditures and accounts payable for the year were $834,900. The Board supervised a workforce of 9 Full Time Equivalent employees and 31 contract field consultants.

	1997/1998 Expenditures (000s)		1998/1999 Expenditures (000s)		1999/2000 Expenditures (000s)	
Admin/Board						
Salaries	140.1		168.5[a]		170.8	
Other Expenses	58.0		61.5		44.3	
Sub-Total		**198.1**		**230**		**215.1**
Part II/III						
Salaries	106.3		80.0		81.8	
Other Expenses	272.5		242.5		319.4	
Accounts Payable	0.0		34.2		29.8	
Sub-Total		**378.8**		**356.3**		**431[b]**
Part VI						
Salaries	174.5		175.4		173.6	
Other Expenses	32.1		16.4		15.2	
Sub-Total		**206.6**		**191.8**		**188.8**
Totals						
Salaries	420.9		424.5		426.2	
Other Expenses	362.6		354.6		378.9	
Accounts Payable	0.0		34.2		29.8	
		783.5		**778.1**		**834.9**

[a] One support position was transferred from Part II/III to Administrative/Board.

[b] This increase reflects an increase in Notice workload.